



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF
PATENT APPEALS AND INTERFERENCES

In re Application of:

Inventor: James M. Sheppard, Jr.
Serial No.: 09/747,529
Filed: December 22, 2000

For: JACQUARD WOVEN
TEXTILE WITH GRAPHIC
IMPRESSION AND A
METHOD OF MAKING THE
SAME

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Group Art Unit: 1771
Examiner: Befumo, Jenna-Leigh
Appeal No.:

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Commissioner for Patents
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REPLY BRIEF FOR APPELLANTS

THE EXAMINER'S REJECTION IS ON THE GROUNDS
OF OBVIOUSNESS UNDER 35 U.S.C. 103

The sole ground of rejection relied upon by the Examiner as set forth in the Answer is that Claims 21-36 are unpatentable on the ground that they are obvious with regard to the two prior art references cited. It is submitted that the Hobson and Carpenter references relied upon by the Examiner do not suggest or fairly anticipate the "edge towel" that is currently claimed by the inventors.

THE EXAMINER'S COMBINATION OF THE HOBSON AND CARPENTER
REFERENCES LACK THE REQUIRED MOTIVATION

The Examiner argues in the Answer that because both a dobby loom and a jacquard loom can be used to produce fabrics, "it is the pattern produced, and not the type of weaving loom that defines the structure of the woven case." Examiner's Answer, page 4, lines 18-19. This statement ignores the teachings of the very prior art that the Examiner relies upon to make this rejection. According to the Hobson, using a jacquard loom wastes two thirds of the configuring capacity of the loom due to the small designs that are woven therein. Additionally, Hobson teaches that when the jacquard loom is eliminated, and a different loom is used, such as a dobby loom, a number of benefits are realized, including among others greater weaving efficiency, higher production rate, better quality, and decreased costs. Hobson, column 2, lines 13-25. Fabric quality, as one of these enumerated benefits, easily equates to part of the fabric structure, and that benefit is obtained, according to Hobson, by using a different weaving processes. Consistent with Hobson, fabric structure is clearly defined not only by the finished pattern produced, but also by the weaving process employed, and Hobson clearly teaches away from utilizing a jacquard process due to clear benefits from other weaving processes. Thus it cannot be said that only the pattern produced defines the structure. The fact that different looms produce articles of differing qualities confirms this.

The Examiner admits that Hobson does not teach the specific design as claimed by the Applicant, and instead relies on Hobson as modified by Carpenter to claim that varying the woven and printed designs of the current invention would be obvious. Examiner's Answer, page 5, lines 3-7. However, the Examiner cannot rightfully combine such references. The teaching of Hobson clearly indicates that a jacquard process would give in inferior product with lesser production yield than would be realized with another weaving process. The Carpenter reference however is specifically drawn to the jacquard process wherein the woven design can be changed. Since it has been shown supra that the weaving processes are not simply differing methods as claimed by the Examiner, these references cannot be combined.

The Examiner combines these references based on the erroneous belief that the weaving methods are interchangeable, and cites to the background section of the Carpenter reference as referring to different patterns produced on dobby as well as jacquard looms. However, "A prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention." *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984). Thus, the modification proposed by the Examiner tries to introduce a process to the Hobson reference that was specifically excluded by Hobson. This cannot be done.

Even without the teaching away from the jacquard process by Hobson, the prior art still does not contain the required motivation that would lead one of ordinary skill to combine the references cited by the Examiner. "When a rejection depends on a combination of prior art references, there must be some teaching, suggestion, or motivation to combine the references." *In re Rouffet*, 149 F.3d 1350, 1355, 47 USPQ2d 1453, 1456 (Fed. Cir. 1998) (citing *In re Geiger*, 815 F.2d 686, 688, 2 USPQ2d 1276, 1278 (Fed. Cir. 1987)). The same principle applies to invalidation. "Obviousness cannot be established by combining the teachings of the prior art to produce the claimed invention, absent some teaching or suggestion supporting the combination. *ACS Hosp. Sys., Inc. v. Montefiore Hosp.*, 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984). Although the suggestion to combine references may flow from the nature of the problem, see *Pro-Mold & Tool Co. v. Great Lakes Plastics, Inc.*, 75 F.3d 1568, 1573, 37 USPQ2d 1626, 1630 (Fed. Cir. 1996), "[d]efining the problem in terms of its solution reveals improper hindsight in the selection of the prior art relevant to obviousness, *Monarch Knitting Mach. Corp. v. Sulzer Morat GmbH*, 139 F.3d 877, 880, 45 USPQ2d 1977, 1981 (Fed. Cir. 1998). Therefore, "[w]hen determining the patentability of a claimed invention which combines two known elements, 'the question is whether there is something in the prior art as a whole to suggest the desirability, and thus the obviousness, of making the combination.'" *In re Beattie*, 974 F.2d 1309, 1311-12, 24 USPQ2d 1040, 1042 (Fed. Cir. 1992) (quoting *Lindemann*, 730 F.2d at 1462, 221 USPQ at 488). Combining prior art references without evidence of such a suggestion, teaching, or motivation

simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability--the essence of hindsight. *Ecolochem, Inc. v. Southern Cal. Edison Co.*, 227 F.3d 1361; 56 U.S.P.Q.2D 1065.

This is the main problem with the references cited by the Examiner. On page 6 of the Examiner's Answer, it states that one of ordinary skill would have been motivated to change the towel design to have "borders" on all four sides of the woven fabric instead of two sides to produce an aesthetically pleasing design with a framed central area as in a picture. The Applicant can not find anywhere in the prior art that discloses the Examiner's cited reasoning for making this rejection. Thus, it would appear that the Examiner is using impermissible hindsight to stretch the references into disclosing the currently claimed invention. Admittedly, the achievement of the current invention is not technical or complex in nature. However, in such a case, the danger increases that the very ease with which the invention can be understood may prompt one to fall victim to the insidious effect of a hindsight syndrome wherein that which only the inventor taught is used against its teacher. See *Ruiz v. A.B. Chance Co.* 234 F.3d 654; 57 U.S.P.Q.2D 1161. This "aesthetic appeal" motivation simply is not disclosed by the prior art. If these are the best references that the Examiner can develop, the current invention cannot be said to be obvious based on the prior art.

The Examiner further claims that it would have been obvious to use various design and weave patterns to produce various end products with various design features so that differed towels would appeal to a large portion of consumers is similarly flawed. There is no motivation in the references themselves that would lead one of ordinary skill to make the substitution and changes that the Examiner is imparting into the current rejection. This argument by the Examiner fails for the same lack of motivation reasons shown *infra*. Therefore, the current invention is just not obvious based on the prior art cited.

THE PRIOR ART CITED BY THE EXAMINER FAILS TO
TEACH ALL THE LIMITATIONS OF THE INVENTION

The Examiner states in the Answer that it would be obvious to one of ordinary skill in the art to change the towel design to have "borders" on all four sides of the woven fabric instead of two sides to produce an aesthetically pleasing design with a framed central area as in a picture. This again lacks the properly disclosed motivation, with the cited art failing to disclose a "border" on any side of produced articles.

The Examiner states that the Applicant is precluded from arguing that Hobson does not disclose a "border" since that term was not explicitly defined by the Applicant in the Specification. While it is generally known that the Applicant can be his own lexicographer, where a term is generally known and is being used according to its commonly understood meaning, no definition is necessary. The plain meaning of the word is applied. Thus, the Applicant is not precluded from arguing what is, or what is not a "border," so long as it is done within the plain meaning of the term.

A border is generally "a part that forms the outer edge of something, or a decorative strip around the edge of something, such as fabric." *American Heritage Dictionary of the English Language, Fourth Edition*. This is clearly what is being employed in the current invention, with the Applicant describing such in independent claim 21, and referenced in the figures. However, the "border" floral portion which the Examiner claims that Hobson discloses is actually a stripe – "a long narrow band distinguished, as by color or texture, from the surrounding material or surface." *American Heritage Dictionary of the English Language, Fourth Edition*. This stripe floral portion of Hobson cannot be a "border" since it is not adjacent to the edge of the material. The floral stripe does not form the edge, but is rather bounded on each side by the plain terry sections. Neither does the floral stripe bound the upper and lower edges of the Hobson textile.

However, even if the Board finds that these references can be combined, all you are left with is a woven article that can have different designs as taught by Carpenter that cannot

be produced on a jacquard loom due to quality and economic hindrances as stated in the underlying Hobson reference. If the background section of Carpenter is combined with Hobson, as the Examiner wants to do, you still have all limitations of the base Hobson reference, i.e., this combination still teaches away from the current invention by rejecting the jacquard process. Simply put, if these are the best references that the Examiner can develop, the current invention cannot be said to be obvious based on the prior art.

APPELLANT'S EDGE TOWEL IS UNOBVIOUS WITH REGARD
TO THE ART RELIED UPON BY THE EXAMINER

Despite the teaching of the prior art, the Applicant has developed the Edge Towel, utilizing the jacquard process. While the jacquard process is disclosed by the prior art, "the totality of the prior art must be considered, and proceeding contrary to accepted wisdom in the art is evidence of nonobviousness." *In re Hedges*, 783 F.2d 1038, 228 USPQ 685 (Fed. Cir. 1986). Even if the references can be combined, they still teach away from printing on a jacquard woven article due to the quality and economic concerns that Hobson identifies. "Known disadvantages in old devices which would naturally discourage search for new inventions may be taken into account in determining obviousness." *United States v. Adams*, 383 U.S. 39, 52, 148 USPQ 479, 484 (1966). The Applicant has realized however, that by utilizing the jacquard process, an article can be produced that has a more plush and dense pile warp than is available in the prior art. When a printed image is transferred onto the jacquard textile, it results in an image that is more crisp and sharp than a printed image on other towels. This unexpected result again shows that the jacquard weaving process is not solely a method limitation, as suggested by the Examiner's Answer.

Additionally, there are benefits to the woven design chosen by the Applicant that the Examiner fails to address that go beyond ornamental motivations. By choosing the alternating light/dark color scheme, the current article is able to reproduce graphics more vividly, without worries that the chosen design will mar the rear surface of the article with bleed through. Also, the color scheme of the border allows for a degree of deviation in the printed design that can overlap onto the border, and still retain a crisp, well-aligned graphic.

Both Hobson and Carpenter, required precise computer control over the printing and weaving process to even hope that the end result achieved a final graphic that was similarly employed.

The Examiner goes on to state that the Applicant is claiming allowability of the current claims based on the commercial success of the towel, as evidenced by the Inventor's Affidavits. This is an oversimplification of the Applicant's position, and as such loses the real point. Commercial success is not in itself a condition of patentability. It is merely one of several secondary considerations that courts have cited to as being indicative of the nonobviousness of an invention. The commercial success of the present invention is just one more of these nonobviousness factors that when shown in conjunction with the lack of disclosure in the prior art render the current invention nonobvious for patentability purposes. Thus, the Affidavits help to overcome the Examiner's current 103 rejection.

The Examiner states on page 8 of the Answer that the affidavits provided by the Applicant are insufficient to precisely tell what accounts for the increased sales figures in the current invention. Thus, the Examiner is requiring a direct connection between the sales of the invention and the novel features thereof, as indicated on page 9 of the Examiner's Answer, and is asking the Applicant to negate any other possible explanation for such commercial success. The Examiner is therefore using the wrong test for the applicability of the submitted Affidavits. The patentee does not have to prove that the commercial success is not due to other factors besides nonobviousness, only that there be a nexus between the two. "A requirement for proof of the negative of all imaginable contributing factors would be unfairly burdensome, and contrary to the ordinary rules of evidence." *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 7 USPQ2d 1222 (Fed. Cir. 1988). To be given substantial weight in the determination of obviousness or nonobviousness, evidence of secondary considerations must be relevant to the subject matter as claimed, and therefore the examiner must determine whether there is a nexus between the merits of the claimed invention and the evidence of secondary considerations. *Ashland Oil, Inc. v. Delta Resins & Refractories, Inc.*, 776 F.2d 281, 305 n.42, 227 USPQ 657, 673-674 n. 42 (Fed. Cir. 1985), *cert. denied*, 475 U.S. 1017 (1986). The term "nexus" designates a factually and legally

sufficient connection between the objective evidence of nonobviousness and the claimed invention so that the evidence is of probative value in the determination of nonobviousness. *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 7 USPQ2d 1222 (Fed. Cir.), *cert. denied*, 488 U.S. 956 (1988).

When the correct “nexus” standard is used, one can easily see how the Affidavits contribute to the nonobviousness of the current invention. The “edge towel” sales in less than 3 years time came to account for over 25% of Applicant’s total revenue and over 20% of total pieces sold while never accounting for more than 1% of Applicant’s total products. Additionally, the letters from other companies indicate a desire to capitalize on a product that they see as being very commercially successful. As the Examiner points out, these statements have nothing to do with the novelty of the claims themselves. However, what the Examiner fails to realize is that these statements have everything to do with the commercial success of the edge towel, and thus the nonobviousness thereof.

It should also be noted that the reasons cited by the Examiner for not giving the erroneous “direct connection” between increased sales and nonobviousness are themselves flawed from a simple business analysis. While the reasoning and concerns raised by the Examiner may be valid in a monopolistic or oligopolistic vacuum, the rationale employed breaks down when applied to an industry such as that of the Applicant’s in which there are numerous participants. The Applicant is not selling nuclear submarines or some other good where the consumer has only one option as to a potential supplier. The Applicant is selling towels. There are hundreds, if not thousands, of towel manufacturers, and an equally great number of competing products for a given niche therein. A surrender of similar competing products by the Applicant or another manufacturer has virtually no impact on the market shares in an environment of this kind. The voluminous number of other alternatives available made by a plethora of manufacturers ensure that any gain in market share due to the discontinuation of one of these options is so diluted between the competing products it would go largely unnoticed for a single competing product. Because no one discontinues a product that they are making money at, the only discontinued products would be the unsuccessful ones

with a low market share, which would only make any perceivable market shift that much more insignificant. Furthermore, the Examiner is asking for unavailable sales information from the Applicant's competitors in an attempt to determine market share. Such information is not readily attainable, and any request of such information by the Applicant to its competitors would subject the Applicant to violation of antitrust laws, as pointed out on page 11, paragraph 2 of Applicant's Brief.

The Examiner also states that the Applicant's towel could have been priced in subsequent years as to derive a higher profit margin. Again, this only works if the Applicant has a monopoly on the goods being sold. An increase in price in the Applicant's towels would only drive consumers to other less expensive options, thus decreasing the sales of the towel. While the revenue per item would definitely increase as suggested by the Examiner, the fact that the total sales of the Applicant's towel increased so drastically is still left unaccounted for. With the given sales climate of this industry, the Edge Towel's success can only be explained by its superior quality, novelty, and unobviousness. In short, the Examiner's concerns as indicated in the Answer simply do not comport with the business climate that the Applicant is operating in.



CONCLUSION

It is believed that if the Board of Appeals will consider the specification of the Appellants, as well as the two Affidavits and Appellant's invention with regard to the prior art they will be able to agree with Appellant's position that the invention is unobvious over the prior art. It is believed that the cases relied upon by the Appellant clearly support this position and it is submitted that reversal of the Final Rejection is in order.

Respectfully submitted,

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